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AVIS DU COMITE DES EVALUATIONS D'IMPACT

PROPOSAL FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT AND COUNCIL for a REGULATION to reduce CO₂ emissions from passenger cars

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Opinion

Title

Impact Assessment on Proposal for a regulation to reduce CO₂ emissions from passenger cars (resubmission)

Lead DG

DG ENV and DG ENTR

1) Impact Assessment Board Opinion

(A) Context

The current proposal is a follow-up to earlier Communications and their impact assessments, which already determined the overall ambition level (130 g CO_2/km target for passenger cars) as well as the principles and design criteria for the future legislative framework. Several Council formations (competitiveness, transport, environment) have supported an integrated approach to tackle CO_2 emissions from cars and specified a number of principles and issues to be taken into account: cost-effectiveness, global competitiveness of the EU automotive industry, car affordability, mobility, social equity and sustainability.

(B) Positive aspects

Overall, the IA contains robust analysis of impacts and an appropriate range of options. Stakeholder consultation seems to have been conducted extensively, including ample time and broad stakeholder coverage. Another positive aspect is a comparison with compliance schemes in the USA and Japan. The IA also contains a thorough analysis of expected retail price increases for different manufacturers.

(C) Main recommendations for improvements

General recommendation: Most of the comments of the first IAB opinion have been taken on board and the IA has been clearly improved, not least by adding the TREMOVE modelling results. Nevertheless, there still remain some more technical aspects that, given the importance of the proposal, need to be clarified.

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Specific recommendations:

(1) Impact on the fleet composition and the effect it may have on attaining the target needs clarification. Whereas it is understandable that eventual fleet composition will depend on the decisions of car manufacturers and consumers, the difference between results from TREMOVE and ex-ante analysis needs to be clearly explained in the IA report; in particular, the size of the potential shift (in terms of size class and age vintages) needs to be assessed. Moreover, the methodology and the underlying assumptions of the TREMOVE modelling exercise need to be explained in this specific context and articulated with the statement that the 123% slope curve represents the least cost solution.

(2) A sensitivity analysis should be added. Given that the modelling and the estimates of the CO2 reduction potential and the cost-effectiveness rely on a set of variables that might be influenced by external events, adding a sensitivity analysis, e.g. on fuel prices or autonomous weight increase, to the overall appraisal of options would be an asset. This sensitivity analysis could be helpful for the review of the evolution of the passenger car market foreseen for 2010.

(3) The premium mechanism deserves further analysis. Both the level of premium (whether or not it should be equal to marginal abatement costs) and the way it will be introduced (at once, gradually, etc) should be duly discussed in the IA report.

(4) Regional impacts should be assessed. The reply to the IAB provides an overview of the expected market developments. This should be complemented by an indication of where the automotive industry is concentrated, so as to provide a basis for an analysis of employment impacts, should they be significant.

(5) A short discussion on effects on the automotive supplier industry, mergers and takeovers, and competitiveness on external markets could be added to the IA.

(D) Procedure and presentation

The IA report is well written. It exceeds the IA Guidelines recommended limit of 30 pages but this is justified given the scope of the proposal and its likely impacts. All other requirements seem to be complied with.

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External expertise used	No
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Date of adoption of Opinion	4 December 2007

2) IAB scrutiny process